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# Before the FEDERAL COMMUNICATIONS COMMISSION Washington, DC 20554

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FEDERAL COMMUNICATIONS COMMISSION OFFICE OF THE SECRETARY

In the Matter of:

Petition of Bell Atlantic Corporation for Relief from Barriers to Deployment of Advanced Telecommunications Services

Petition of U S West Communications, Inc. for Relief from Barriers to Deployment of Advanced Telecommunications Services

Petition of Ameritech Corporation to Remove Barriers to Investment in Advanced Telecommunications Services CC Docket No. 98-11

CC Docket No. 98-26

CC Docket No. 98-32

### COMMENTS OF THE INTERNET ACCESS COALITION

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April 6, 1998

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#### COMMENTS OF THE INTERNET ACCESS COALITION

The Internet Access Coalition provides the following comments on the petitions submitted by three Bell Operating Companies ("BOCs") pursuant to Section 706 of the 1996 Act regarding the deployment of advanced telecommunications services. The Coalition consists of companies and trade associations that represent all segments -- hardware, software, and services -- of the information technology industry. The

The Coalition's member companies include America Online Incorporated, Apple Computer, Inc., Compaq Computer Corporation, Covad Communications, Dell Computer Company, Digital Equipment Corporation, EarthLink Network, Inc., Eastman Kodak Company, GE Information Services, IBM Corporation, Intel Corporation, Microsoft Corporation, Netscape Communications Corporation, Novell, Inc., Oracle Corporation, and Sun Microsystems, Inc.

Coalition is dedicated to maintaining the affordability of consumer access to the Internet and other information services via analog, circuit-switched telephone lines, and to accelerating the deployment of efficient, affordable, and reliable broadband data communications services. Accordingly, the Coalition supports policies and regulations that would encourage the rapid, pro-competitive deployment of affordable broadband services by incumbent local exchange carriers and their competitors.

#### DISCUSSION

The Coalition believes that competition provides the best means of facilitating deployment of advanced telecommunications services to the American public.

Competitive markets incent providers to introduce new services and innovative technologies and to drive prices to their lowest possible level -- all to the benefit of consumers. There is probably no better example of the power of competitive markets to serve consumers than the information technology ("IT") industry, which continually delivers exponentially greater functionality to consumers at lower prices. It is the Coalition's hope that, as consumer demand for broadband services continues to grow, the telecommunications services industry will follow the market model of the IT industry and provide rapidly and continually increasing value to consumers.

Many of the technologies that would respond to consumer demand for highspeed, data-friendly network services have already been developed but are not widely

The Coalition's member associations include the American Electronics Association, the Business Software Alliance, the Consumer Electronics Manufacturers Association, the Information Technology Association of America, the Information Technology Industry Council, the Internet Service Providers and Users Association, the Semiconductor Industry Association, the Software Publishers Association, and the Voice on the Net Coalition. Collectively, these associations represent more than 12,000 member companies.

deployed in public networks. As a result, the most cost-effective in-home connections available to virtually all American PC users continue to be analog, circuit-switched telephone lines provided by incumbent local exchange carriers ("ILECs"). Internet access for most consumers is limited to a maximum bit rate of about 56 kilobits per second ("Kbps"), and most users still access the Internet at much lower rates. At these low connection speeds, the information economy will not reach its full potential. Therefore, the Coalition urges the Commission to investigate regulatory changes that may serve to accelerate deployment of advanced network technology through telephone and other telecommunications infrastructure.

The telecommunications industry is in a period of transition. Among other changes, the industry is moving from monopoly to competition, and from a focus on basic voice communications to an increasing emphasis on data communications.

Regulations created to protect the public interest in the provision of basic voice services should be reviewed to determine whether they are needed in the provision of data services. Should the Commission determine that there are regulations that impede the deployment of advanced services, then the Commission should eliminate them, subject to safeguards, unless they are necessary to preserve competition. Until competition fully develops, however, non-discriminatory access is needed to assure that independent ISPs (i.e., ISPs that are not affiliated with an ILEC) are able to acquire the facilities essential to offering competitive advanced communications services. The ISP industry today produces a diverse array of competitive services and a broad range of price/performance packages because service providers can obtain non-discriminatory access to the underlying narrowband telecommunications infrastructure.

Ameritech, Bell Atlantic, and U S West have each filed petitions before the Commission seeking similar relief from various regulations that they believe impede their deployment of advanced services such as high-speed access to data networks and interLATA data networks. These petitions raise important issues, and they create an opportunity for policymakers and industry participants to review existing regulations with the goal of creating an environment that promotes the competitive deployment of broadband services. The Coalition encourages the Commission to conduct a thorough review of current regulations to determine which regulations may discourage ILEC deployment of advanced services and whether these regulations are still necessary to protect competition.

To maximize the benefits that consumers will realize from broadband networks, the Commission must ensure that independent information service providers ("ISPs") and competitive local exchange carriers ("CLECs") have a level playing field and a fair opportunity to compete. Competitive safeguards are, therefore, essential, with non-discrimination as the guiding principle for these safeguards. Separation between an ILEC and its ISP affiliate will be an important safeguard to discourage discrimination. In addition, safeguards must ensure access to ILEC-provided network components and services for both affiliated and nonaffiliated ISPs subject to the same:

- price, terms, and conditions;
- quality, reliability, provisioning, and other measures of service performance;
   and
- disclosure of technical requirements and network changes affecting interoperability.

For CLECs, enforceable access to physical collocation, interconnection, and unbundled network elements provided under Section 251 of the Act is critical to ensure

that competition will develop in the market for broadband services. In particular, CLECs that wish to offer broadband access services must be able to obtain digitally compatible loops that can support these services. Furthermore, CLECs must be able to physically collocate, on a non-discriminatory basis, the equipment necessary to provide these services.

In addition, if the Commission determines that ILEC relief from certain existing regulations is in the public interest, then it should consider a mechanism for ensuring that the goal of Section 706 -- the "deployment on a reasonable and timely basis of advanced telecommunications capability to all Americans"<sup>2</sup> -- is met when it grants that relief. This may include the development of specific deployment commitments measurable by objective criteria (e.g., the percentage of households to which advanced services are made available) that ILECs must meet to qualify for and retain regulatory flexibility.

### CONCLUSION

The Coalition is hopeful that the ILEC petitions are a first step towards creating an environment that will facilitate deployment of broadband data services by both ILECs and their competitors. The Coalition looks forward to participating in a process that will

<sup>&</sup>lt;sup>2</sup> 47 U.S.C. § 706(a).

examine the existing regulatory regime and identify steps that the Commission might take to fulfill the objectives of Section 706 while still ensuring that independent ISPs and CLECs are not placed at a competitive disadvantage.

Respectfully submitted,

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## **Certificate of Service**

I, Molly A. McEwan, hereby certify that true and correct copies of the preceding Comments of the Internet Access Coalition in CC Docket Numbers 98-11, 98-26, and 98-32 were served this 6<sup>th</sup> day of April via hand delivery upon the following parties:

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Molly A McEwan